



Results for the year ended 31 March 2019

The Equipment Rental Specialist

Agenda

- 1. Strategic Aim and Highlights**
- 2. Market and Trading Review**
- 3. Financial Review**



Strategic Aim and Highlights

DNV 1.7-2 Zone II
6.2 MMbtu / 150psig

Our aim is to create sustainable value

Resilient and proven model

First class asset management

UK & International Specialist Rental

Building on core attributes

A year of substantial progress

+15%

Excellent
profit growth

+26%

Revenue
growth

£64m

Rental fleet
investment

14.5%

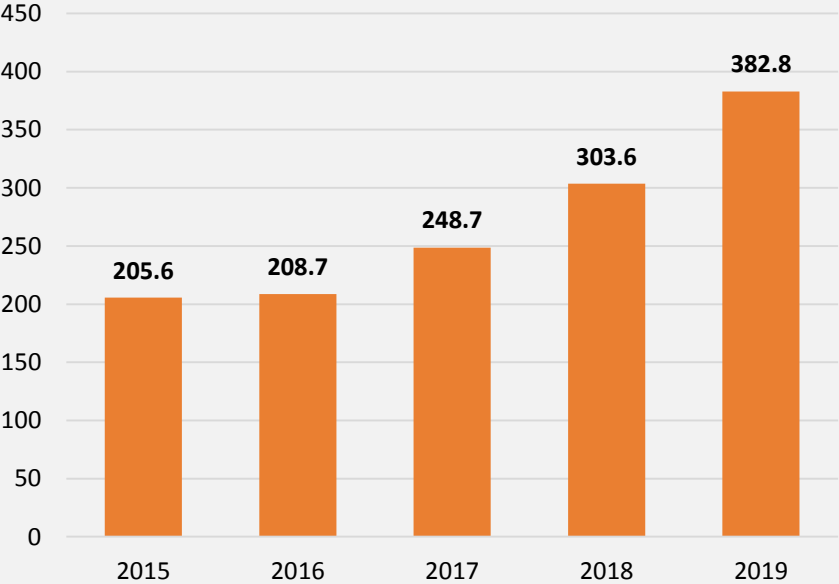
Return on capital

- UK division delivering strong results
- Brandon integration going well

Uninterrupted long term progress

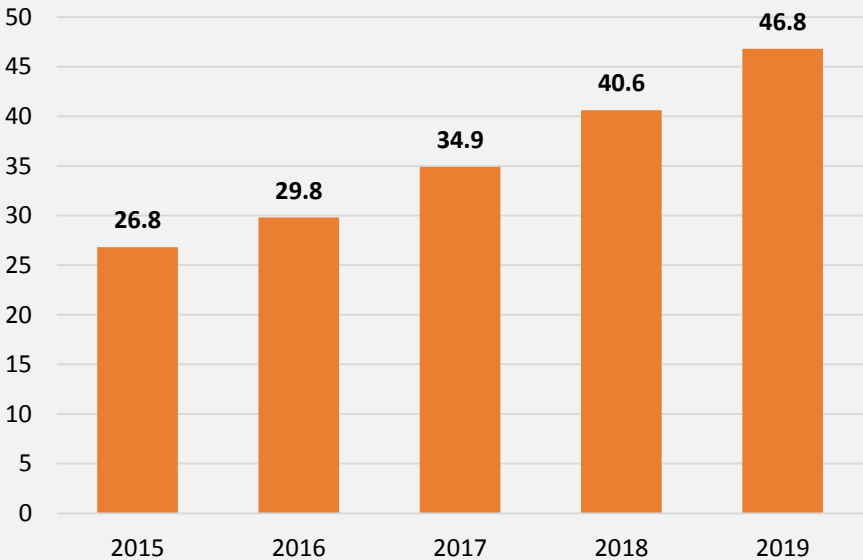
Revenue

17% compound growth over 5 years



Profit before tax, amortisation and exceptional items

15% compound growth over 5 years





Market and Trading Review



Key markets



Infrastructure



Construction



Housebuilding



Oil & Gas

Market dynamics

Market segment	Revenue		Growth on prior year
	2019 (£m)	2018 (£m)	
Infrastructure*	135.7	113.9	+19%
Construction	159.0	108.7	** +46%
Housebuilding	35.0	32.7	+7%
Oil & Gas	32.2	23.7	+36%
Other	20.9	24.6	-15%
Total	382.8	303.6	+26%

* Utilities, Rail, Water, Transmission and Facilities Management

** 15% growth excluding full year Brandon



Infrastructure growth
- water / rail



Construction growth
- repair & maintenance / fit out



Housebuild
- static



Oil & Gas
- onshore growth

Business performance – *Group*

	2019 (£m)	2018 (£m)	
Revenue	382.8	303.6	* +26%
PBITA	51.6	44.0	+17%
Operating margin	13.5%	14.5%	

* 13% excluding Brandon

Strong UK performance

17% operating profit growth

Core markets supportive

Brandon Integration plus organic growth



Business performance – UK

	2019 (£m)	2018 (£m)	
Revenue	350.3	272.0	* +29%
PBITA	49.9	43.0	+16%
Operating margin	14.2%	15.8%	

* 14% excl. Brandon

**AMP 6 activity
- Groundforce**

**Brandon Hire
Station integration
positive**

**Stable
housebuilding
- UK Forks**

**Rail volatility
but growth
- Torrent Trackside**

**European
revenue growth**



Business performance – *International*

	2019 (£m)	2018 (£m)	
Revenue	32.5	31.6	+3%
PBITA	1.7	1.0	+70%
Operating margin	5.2%	3.2%	

Modest recovery underway at Airpac Bukom

Further progress for TR Group - Australia and Malaysia positive



Rental fleet investment

	2019 (£m)	2018 (£m)
UK	57.4	59.8
International	6.4	5.1
Total fleet investment	63.8	64.9
Disposal proceeds	(20.0)	(18.5)
Net expenditure on fleet	43.8	46.4

UK capex static but change in mix

Investment for growth into Brandon Hire Station, ESS Safeforce, MEP

International fleet capex – mostly TR Group

Acquisition post year end

May 2019

- Sandhurst Limited

- **Specialist attachments rental**
- **Consideration £3.325m**
- **5 locations**
- **Complementary to UK piling business**



Outlook

New financial year trading in line with expectation....



- **Growth rate will be more modest**
- **Infrastructure – expected to stay busy**
- **Housebuild stable**
- **Brandon Hire Station integration complete by calendar year end**
- **Response to CMA is work in progress**
- **International markets stable with fresh initiatives**
- **Oil & gas offer expanding to embrace both onshore and offshore projects**

Markets will be more subdued but opportunities will arise and we look forward to further progress



Financial Review

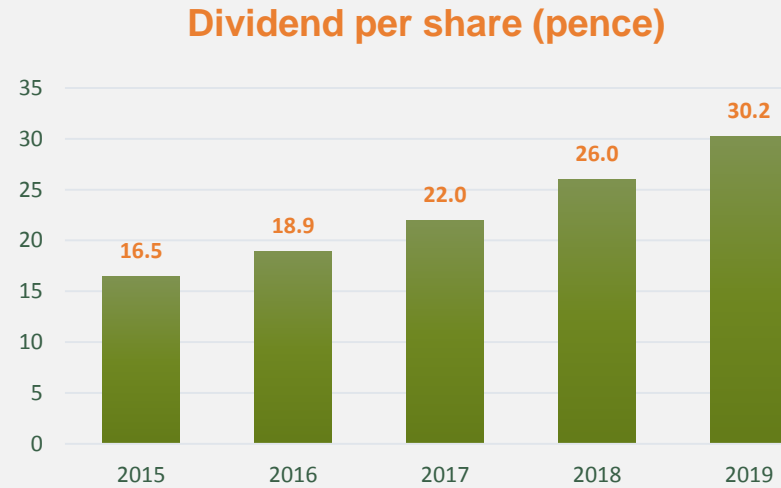


Financial highlights – significant growth

	2019 (£m)	2018 (£m)	
Revenue	382.8	303.6	+26%
EBITDA	101.4	84.3	+20%
Depreciation	(49.8)	(40.3)	+24%
EBITA	51.6	44.0	+17%
Interest	(4.8)	(3.4)	
PBTA (and exceptionals)	46.8	40.6	+15%
Exceptional items	8.6	1.7	
Net margin	12.2%	13.4%	

Earnings per share

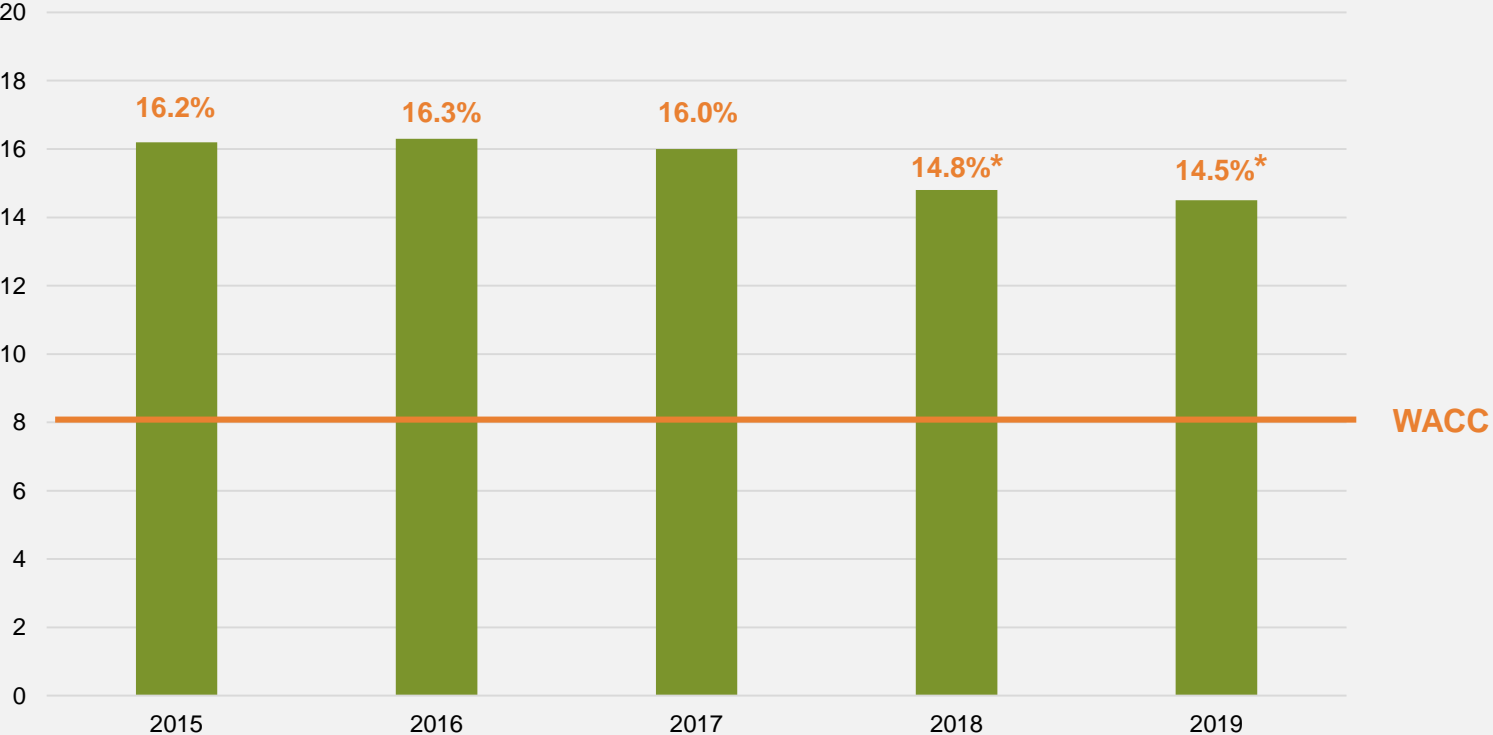
	2019	2018	
Dividend per share	30.2p	26.0p	+16%
Dividend cover	3.2x	3.3x	–
EPS adjusted *	95.1p	84.9p	+12%



* Pre amortisation and exceptionals



ROACE – robust



* 16% excluding Brandon



Balance sheet

	2019 (£m)	2018 (£m)
Property, plant and equipment	248.7	239.7
Intangible assets/goodwill	89.7	94.3
Net working capital	4.3	6.7
Other	(5.7)	(7.1)
Net debt	(168.1)	(179.2)
Net assets	168.9	154.4

Strong cash generation

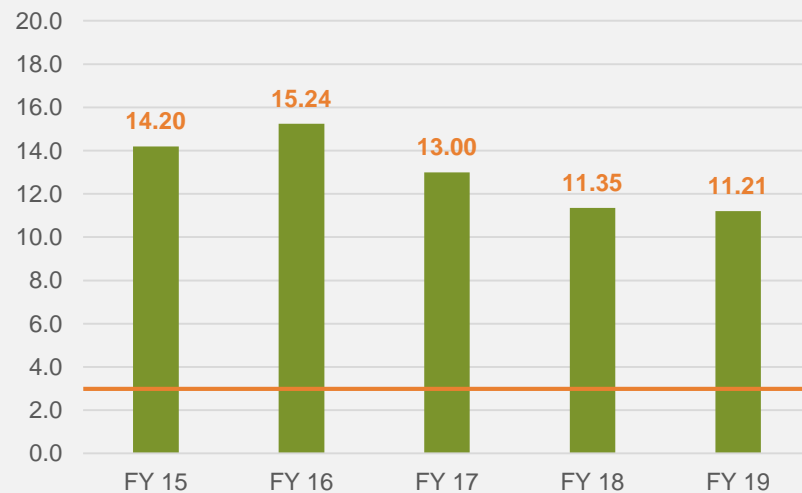
	2019 (£m)	2018 (£m)	
EBITDA	101.4	84.3	+20%
Cash from operations	92.7	73.6	
Net capital expenditure	(54.6)	(53.1)	
Interest and tax	(12.8)	(10.4)	
Acquisitions	-	(49.7)	
Dividends	(10.9)	(9.0)	
Other	(3.3)	(1.2)	
Debt acquired	-	(30.5)	
Change in net debt	11.1	(80.3)	

Net debt and facilities – headroom

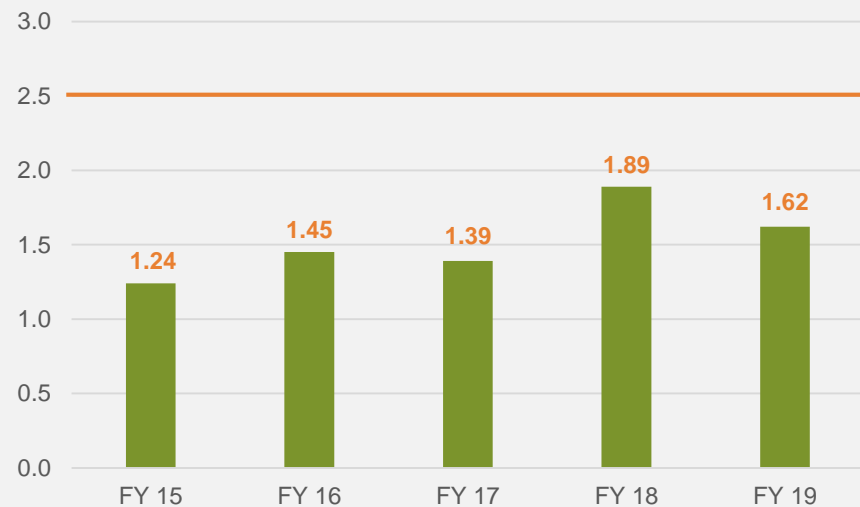
	Facilities	
	2019 (£m)	2018 (£m)
RCF ends May 2020	65.0	65.0
RCF ends December 2021	135.0	135.0
Total RCF	200.0	200.0
Overdraft	7.5	5.0
Actual borrowing net debt	168.1	179.2
Headroom	39.4	25.8

Significant headroom against covenants

EBITA Interest Cover > 3 times



Net Debt / EBITDA < 2.5 times





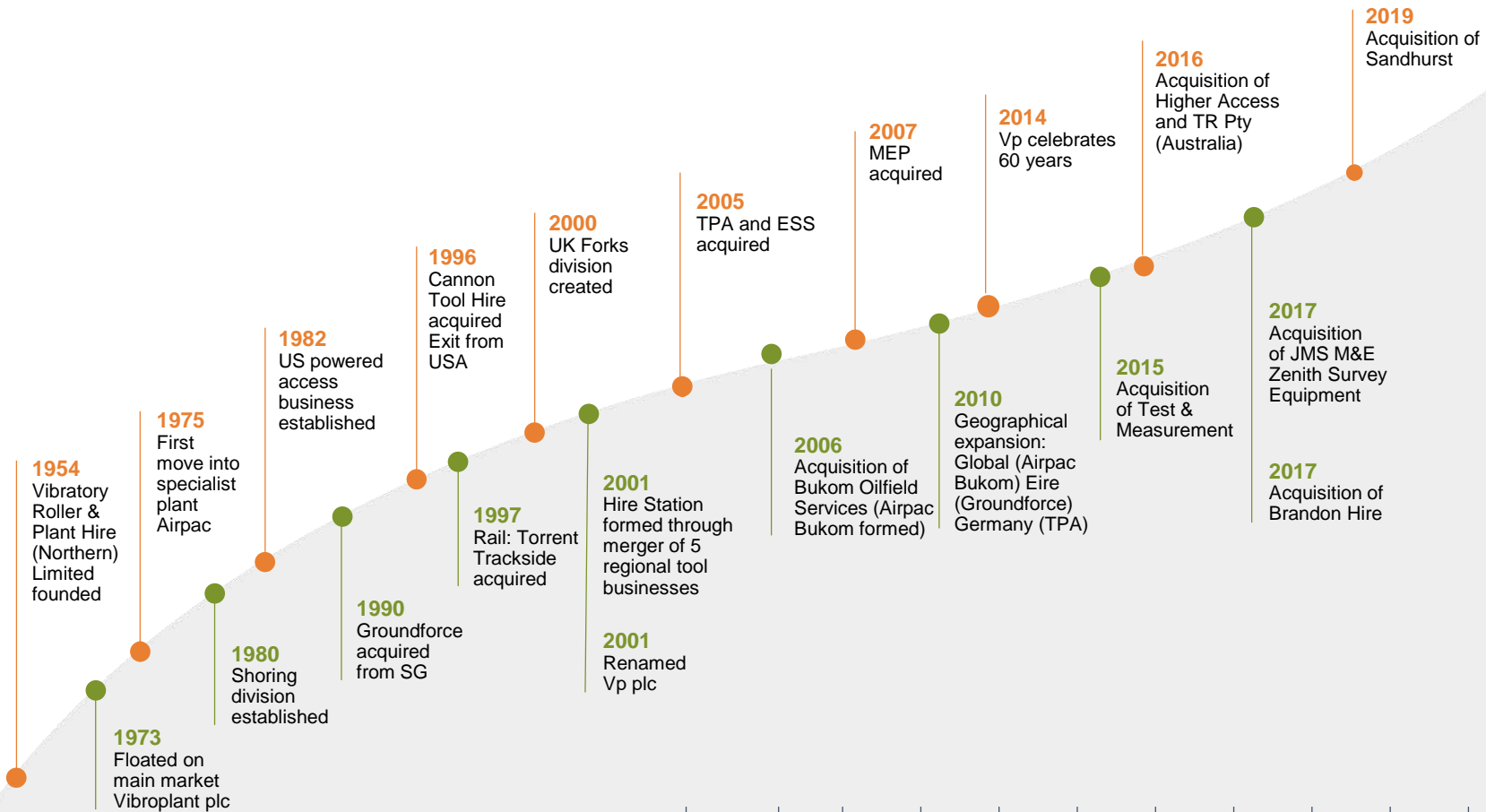
Supplementary Schedules



Effective rate of tax reconciliation

	2019 (%)	2018 (%)
Standard rate	19.0	19.0
Impact of tax rate change	0.3	(2.7)
Permanent disallowables	3.1	0.9
Chattels	(1.2)	(1.2)
Prior year adjustments	(0.6)	0.6
Non-qualifying depreciation and amortisation	1.2	0.7
Overseas tax rate	0.9	0.5
Impairment of intangibles	0.4	3.1
Effective rate	23.1	20.9

Group history – 1954 to date



Revenue: History	1970: £2m	1980: £14m	1990: £70m	2000: £55m	2010: £129m	2014: £183m	2015: £206m	2016: £209m	2017: £249m	2018: £304m	2019: £383m
------------------	-----------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------



Divisions

UK



Rough terrain material handling equipment and tracked access platforms



Excavation support systems and specialist products



Portable roadway and temporary access solutions



Tool and equipment hire



Specialist safety, survey, communications and test measurement



Mechanical, electrical and low level access



Infrastructure equipment and services to the railway renewals and maintenance sector

International



Equipment and service providers to the international oil and gas exploration and development markets



Test & measurement, communications and audio visual rental in Australia, New Zealand and Malaysia.



Central House, Beckwith Knowle
Otley Road, Harrogate
North Yorkshire, HG3 1UD

T 01423 533400

www.vpplc.com

Vp plc Company Number 481833